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January 20, 2004

The Honorable Bruce Duke  
Acting Executive Director  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, South Carolina 29211

Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund  
Docket No. 97-239-C

Dear Mr. Duke:

Enclosed for filing are an original and fifteen copies of BellSouth's Response to ITC^DeltaCom Communications, Inc.'s First Set of Interrogatories and Requests to Produce in the above-captioned matter.

By copy of this letter, I am serving all parties of record with a copy of this document as indicated on the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Patrick W. Turner". The signature is written in a cursive, flowing style.

Patrick W. Turner

PWT/nml  
Enclosure  
cc: All Parties of Record  
PC Docs # 522650

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-239-C

IN RE:

Proceeding to Establish Guidelines for an                     )  
Intrastate Universal Service Fund                                 )  
\_\_\_\_\_)

**BELLSOUTH'S RESPONSE TO DELTACOM'S  
FIRST SET OF INTERROGATORIES AND REQUESTS TO PRODUCE**

BellSouth Telecommunications, Inc. ("BellSouth") respectfully submits the following Responses to the First Set of Interrogatories and Requests to Produce that ITC^DeltaCom Communications, Inc. ("DeltaCom") served on BellSouth on or about January 6, 2004.

**GENERAL OBJECTIONS**

1. BellSouth objects to each Interrogatory and Request for Production to the extent it seeks to impose an obligation on BellSouth to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this proceeding on the grounds that such interrogatories and requests for production are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. BellSouth will not be responding to discovery that seeks information from parent and affiliate companies.

2. BellSouth objects to the each Interrogatory and Request for Production to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Public Service Commission of South Carolina ("the Commission"). BellSouth objects to such Interrogatories as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. BellSouth objects to each Interrogatory and Request for Production to the extent that it calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. BellSouth objects to each Interrogatory and Request for Production to the extent that it seeks to impose obligations on BellSouth that exceed the requirements of the South Carolina Rules of Civil Procedure, the Commission's rules and regulations, or other South Carolina law.

5. BellSouth is a large corporation with employees located in many different locations in South Carolina and in other states. In the course of its business, BellSouth creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. BellSouth will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, BellSouth objects on the grounds that compliance would impose an undue burden or expense.

6. BellSouth objects to each Interrogatory and Request for Production that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by BellSouth in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

#### **SPECIFIC RESPONSES**

Without waiving any of the foregoing general objections, BellSouth responds to DeltaCom's Interrogatories and Requests for Production as follows:

REQUEST: Since the inception of the South Carolina Universal Service Fund ("State USF"), provide the total amount of money that BellSouth has received from the State USF.

RESPONSE: BellSouth objects to this Interrogatory on the grounds that it seeks information that is not relevant to the subject matter of this proceeding and that the information sought does not appear reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, BellSouth has received approximately \$54.58 million from the South Carolina Universal Service Fund from its inception through December 31, 2003.

RESPONSE PROVIDED BY: Rufus Moore - Manager  
Rm. 17M61  
675 W Peachtree St NW  
Atlanta, GA 30375

REQUEST: Aside from the \$7.991 million that BellSouth seeks to withdraw from the State USF in this proceeding, does BellSouth plan to request additional withdrawals from the State USF in 2004?

(a) If the answer to this Interrogatory is "yes", please provide the amount of the additional funding that will be requested;

(b) If the answer to this Interrogatory is "yes", state the reasons why BellSouth would need additional funding beyond the \$7.991 million sought in this proceeding; and

(c) Identify any documents or business plans that discuss requests or potential requests for State USF withdrawals for 2004.

RESPONSE: BellSouth has not decided whether it will seek additional withdrawals from the State USF in 2004.

RESPONSE PROVIDED BY: Kathy Blake - Director  
Rm. 36M66  
675 W Peachtree St NW  
Atlanta, GA 30375

REQUEST: Has the South Carolina Public Service Commission or any other entity audited BellSouth's use of the State USF?

- (a) If the answer to this Interrogatory is "yes," provide the name of the auditor(s), the date(s) the audit took place, and the period of time covered by the audit(s).
- (b) If the answer to this Interrogatory is "yes," provide the results of the audit(s).

RESPONSE: BellSouth objects to this Interrogatory on the grounds that it is vague, ambiguous, overly broad, imprecise, and utilizes terms that are subject to multiple interpretations but that are not properly defined or explained for purposes of these Interrogatories.

Subject to and without waiving these objections, members of the Commission's non-advisory Staff have, on occasion, requested information from BellSouth regarding the State USF, and BellSouth has provided the requested information, often verbally. BellSouth objects to responding to subparts (a) and (b) of this interrogatory to the extent that they may be intended to apply to such requests, and BellSouth objects to producing any documents that may be associated with such requests, on the grounds that doing so would be unduly burdensome.

BellSouth is audited periodically by other entities for various reasons, but no such audit has specifically addressed the State USF. BellSouth objects to responding to subparts (a) and (b) of this interrogatory to the extent that they may be intended to apply to such audits, and BellSouth objects to producing any documents that may be associated with such audits, on the grounds that: doing so would be unduly burdensome; such documents and information are not relevant to the subject matter of this proceeding and do not appear reasonably calculated to lead to the discovery of admissible evidence; and such information includes confidential, proprietary, and/or trade secret information.

RESPONSE PROVIDED BY: Rufus Moore - Manager  
Rm. 17M61  
675 W Peachtree St NW  
Atlanta, GA 30375

REQUEST: Has BellSouth prepared a cost study, business analysis, or have any workpapers supporting its request for additional State USF withdrawals?

- (a) If the answer to this Interrogatory is "yes," identify each such cost study, business analysis or workpaper and state the date/time period covered by the cost study or business analysis.
- (b) If the answer to this Interrogatory is "yes," provide the names and titles of the person(s) who prepared the cost study, business analysis or work papers that support BellSouth's request for additional State USF withdrawal.

RESPONSE: BellSouth objects to this Interrogatory to the extent that it is vague and overly broad and to the extent that responding to it would be unduly burdensome. Subject to and without waiving these objections, BellSouth responds as follows.

As explained in the direct testimony that BellSouth pre-filed in this docket, BellSouth is relying on TELRIC-based UNE rates approved by the Commission in Docket No. 2001-65-C. The studies supporting these UNE rates were provided to parties of record, including DeltaCom, in Docket No. 2001-65-C. BellSouth objects to re-producing this information in response to this Interrogatory on the grounds that the information sought is unreasonable cumulative or duplicative, and DeltaCom already has this information in its possession. (Response provided by counsel for BellSouth, 1600 Williams St, Columbia, SC 29201; and by Robert McKnight, Rm. S3D1, 3535 Colonnade Pkwy – South, Birmingham, AL 35243).

Attachment 1 to this Response is a copy of the sensitivity analysis referenced in the pre-filed direct testimony of BellSouth witness Robert McKnight. Attachments 2 and 3 to this Response are copies of the associated supporting files (Rev1\_4-2001\_C.1.1.xls and Switched \_Access\_C.1.1.xls respectively). (Response provided by Robert McKnight, Rm. S3D1, 3535 Colonnade Pkwy – South, Birmingham, AL 35243).

The workpapers supporting the \$7.991 million of additional funding BellSouth is requesting in this proceeding are Exhibits JEM-1 and JEM-2 of the pre-filed direct testimony of BellSouth witness Edward Matejick. DeltaCom is already in possession of proprietary versions of these exhibits, which BellSouth has provided pursuant to a Protective Agreement between BellSouth and DeltaCom. The demand data for Exhibit JEM-1 was obtained from the Billed Carrier Access Tracking System (BCATS) database which uses Company billing records as its source. The demand data for Exhibit JEM-2 was obtained from the Exchange Message Interface (EMI) records furnished by the Independent Telephone Companies (ICOs). The EMI records are then entered into the Originating Responsibility Plan (ORP) and Area Calling Service (ACS) Settlement Systems for billing to the ICO. The rates set forth in Exhibits JEM-1 and JEM-2 were obtained from BellSouth's Access Services Tariff that is on file with the Commission. (Response Provided By: Ed Matejick – Manager, Rm. 34S91, 675 W Peachtree St NW, Atlanta, GA 30375; Stephen Armstrong – Manager, South E3D, 3535 Colonnade Pkwy, Birmingham, AL 35243 with responsibilities regarding the BCATS database; Dan Magee – Manager, C3, 600 19th St N, Birmingham, AL 35203, with responsibilities regarding the ORP Settlement System; and various subject matter experts responsible for the rates in the Access Services Tariff).

The \$171 million size of the BellSouth-specific portion of the State USF is supported by Exhibit KKB-3 to the pre-filed direct testimony of BellSouth witness Kathy Blake. DeltaCom is already in possession of this exhibit. (Response Provided By: Kathy Blake – Director; Rm. 36M66; 675 W. Peachtree St NW; Atlanta, GA 30375)



**South Carolina – SWA Rate Reduction, Dkt. No. 1997-239-C**  
**Sensitivity Analysis - UNE versus Switched Access**  
**End Office Switching Function, per MOU**

Below is a comparison of the TELRIC end office switching cost results that are developed by using intrastate switched access call characteristics rather than UNE call characteristics. The end office switching cost element is labeled as C.1.1 for cost processing. The results are expressed on a per-minute of use (MOU) basis.

The cost models utilized to develop the costs are the BellSouth Simplified Switching Tool© - Usage (SST-U) and the BellSouth Cost Calculator© (BSCC). Network investments and service-specific call characteristic data inputs are accumulated in the SST-U model. The resulting investments are then processed through the BSCC for annual cost development and results.

The cost study inputs that would vary between the two studies are shown below. All other inputs are held constant.

**COST STUDY INPUT VARIANCES**

	<u>UNE</u>	<u>Switched Access</u>
<b><u>Distribution of Calls</u></b>		
Percent Intra-office Calls (O+T)	33.4%	0.0%
Percent Inter-office Calls	66.6%	100.0%
<b><u>Busy Hour Conversion Factors</u></b>		
Busy Hour to Full Day Ratio	8.75%	8.21%
<b><u>Call Characteristics</u></b>		
Call Completion Ratio	70.9%	71.9%
Average Non-Conversation Time per Call (Seconds)	13.28	19.06

**COST STUDY RESULTS**

	<u>TELRIC w/ UNE Inputs</u>	<u>TELRIC w/ SwAccess Inputs</u>
End Office Switching Function, per MOU	\$0.0010519	\$0.0009187

The results indicate that by using switched access inputs in lieu of the UNE inputs, the costs are lower than if only UNE inputs were utilized. In this case, there is a difference of \$0.0001332 or approximately 13% lower. Following are two sets of workpapers from the BellSouth Cost Calculator© that provide the investment and costs per MOU summarized above.

# Recurring Cost Summary

Attachment 2

## South Carolina C.1.1 End Office Switching Function, Per MOU

<u>Description</u>	<u>Volume Sensitive</u>			<u>Volume Insensitive</u>		
	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>TELRIC</u>	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Recurring Cost Development Reports	\$0.0008693	\$0.0000572	\$0.0009265	\$0.0000601	\$0.0000000	\$0.0000601
LABOR EXPENSES:						
OTHER EXPENSES:						
Total Cost	<u>\$0.0008693</u>	<u>\$0.0000572</u>	<u>\$0.0009265</u>	<u>\$0.0000601</u>	<u>\$0.0000000</u>	<u>\$0.0000601</u>
Gross Receipts Tax Factor		X	<u>1.0036</u>		X	<u>1.0036</u>
Cost (Including Gross Receipts Tax)			<u>\$0.0009298</u>			<u>\$0.0000603</u>
Common Cost Factor		X	<u>1.0624</u>		X	<u>1.0624</u>
Economic Cost			<u>\$0.0009878</u>			<u>\$0.0000640</u>
<b><u>Total Economic Cost: \$0.0010519</u></b>						

1/13/2004

Investment Development - Volume Sensitive

Attachment 2

South Carolina  
C.1.1 End Office Switching Function, Per MOU

Description	FRC	Sub FRC	A	B	C=AxB	D1	D2	D3	D4	D5	E=Cx(D1xD2 x...xD5)	F	G=ExF
			Material	Inflation Factor	Adjusted Material	In-Plant Factors (Default = 1)					In-Plant Investment	Supporting Equipment &/or Power Loading	Total Investment
						Plug-in Inventory Factor	Mat'l Factor	Telco Factor	Plug-in Factor	Hardware Factor			
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0026994	1.0201	\$0.0027537	NA	NA	1.1226	NA	NA	\$0.0030914	1.1070	\$0.0034221
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	NA	NA	NA	NA	\$0.0000000	NA	\$0.0000000
											<u>\$0.0030914</u>		<u>\$0.0034221</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF	H	I=AxH
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Land Factor</u>	<u>Land Investment</u>	<u>Building Factor</u>	<u>Building Investment</u>	<u>Pole Factor</u>	<u>Pole Investment</u>	<u>Conduit Factor</u>	<u>Conduit Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0034221	0.0068	\$0.0000234	0.1361	\$0.0004657	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
<b>FRC 20C:</b>					<b>\$0.0000234</b>	<b>FRC 10C:</b>	<b>\$0.0004657</b>	<b>FRC 1C:</b>	<b>\$0.0000000</b>	<b>FRC 4C:</b>	<b>\$0.0000000</b>

South Carolina  
C.1.1 End Office Switching Function, Per MOU

A=Prev Page Col G				B	C=AxB	D	E=AxD	F	G=AxF
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Network Switch RTU Factor</u>	<u>Network Switch RTU Investment</u>	<u>Network Circuit RTU Factor</u>	<u>Network Circuit RTU Investment</u>	<u>Network Operator RTU Factor</u>	<u>Network Operator RTU Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0034221	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<b>FRC 560C:</b>	<b>\$0.0000000</b>	<b>FRC 660C:</b>	<b>\$0.0000000</b>	<b>FRC 860C:</b>	<b>\$0.0000000</b>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=AxFactor	C=AxFactor	D=AxFactor	E=AxFactor	F=AxFactor	I=(B+C+D +E+F)
						Plant Specific Expense & Factor	Ad Valorem Expense & Factor	
Description	FRC	Investment	Depreciation & Factor	Cost of Money & Factor	Income Tax & Factor			Direct Cost
Buildings - COE	10C	\$0.0004657	\$0.0000098 0.0210	\$0.0000416 0.0893	\$0.0000197 0.0424	\$0.0000320 0.0687	\$0.0000062 0.0132	\$0.0001092
Poles	1C	\$0.0000000	\$0.0000000 0.0439	\$0.0000000 0.0723	\$0.0000000 0.0343	\$0.0000000 0.0143	\$0.0000000 0.0132	\$0.0000000
Land - COE	20C	\$0.0000234	\$0.0000000 0.0000	\$0.0000026 0.1125	\$0.0000012 0.0534	\$0.0000000 0.0000	\$0.0000003 0.0132	\$0.0000042
Digital Elec Switch	377C	\$0.0034221	\$0.0003375 0.0986	\$0.0001757 0.0513	\$0.0000833 0.0244	\$0.0001141 0.0333	\$0.0000453 0.0132	\$0.0007559
Conduit Systems	4C	\$0.0000000	\$0.0000000 0.0118	\$0.0000000 0.0823	\$0.0000000 0.0390	\$0.0000000 0.0019	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
		\$0.0039112	\$0.0003472	\$0.0002199	\$0.0001043	\$0.0001461	\$0.0000518	\$0.0008693

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=Prev Rpt Col I	C	D=AxC	E=B+D
<u>Description</u>	<u>FRC</u>	<u>Investment</u>	<u>Direct Cost</u>	<u>Shared Cost Factor</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Buildings - COE	10C	\$0.0004657	\$0.0001092	0.0001	\$0.0000000	\$0.0001093
Poles	1C	\$0.0000000	\$0.0000000	0.0137	\$0.0000000	\$0.0000000
Land - COE	20C	\$0.0000234	\$0.0000042	0.0000	\$0.0000000	\$0.0000042
Digital Elec Switch	377C	\$0.0034221	\$0.0007559	0.0167	\$0.0000571	\$0.0008130
Conduit Systems	4C	\$0.0000000	\$0.0000000	0.0098	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
		<u>\$0.0039112</u>	<u>\$0.0008693</u>		<u>\$0.0000572</u>	<u>\$0.0009265</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B	C=AxB	D1	D2	D3	D4	D5	E=Cx(D1xD2 x...xD5)	F	G=ExF	
		In-Plant Factors (Default = 1)										Supporting Equipment &/or Power Loading	Total Investment
Description	FRC	Sub FRC	Material	Inflation Factor	Adjusted Material	Plug-in Inventory Factor	Mat'l Factor	Telco Factor	Plug-in Factor	Hardwire Factor	In-Plant Investment		
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	1.0201	\$0.0000000	NA	NA	1.1226	NA	NA	\$0.0000000	1.1070	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001417	NA	\$0.0001417	NA	NA	NA	NA	NA	\$0.0001417	NA	\$0.0001417
											<u>\$0.0001417</u>		<u>\$0.0001417</u>



**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF	H	I=AxH
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Land Factor</u>	<u>Land Investment</u>	<u>Building Factor</u>	<u>Building Investment</u>	<u>Pole Factor</u>	<u>Pole Investment</u>	<u>Conduit Factor</u>	<u>Conduit Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	0.0068	\$0.0000000	0.1361	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001417	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<b>FRC 20C:</b>	<u>\$0.0000000</u>	<b>FRC 10C:</b>	<u>\$0.0000000</u>	<b>FRC 1C:</b>	<u>\$0.0000000</u>	<b>FRC 4C:</b>	<u>\$0.0000000</u>

South Carolina  
C.1.1 End Office Switching Function, Per MOU

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Network Switch RTU Factor</u>	<u>Network Switch RTU Investment</u>	<u>Network Circuit RTU Factor</u>	<u>Network Circuit RTU Investment</u>	<u>Network Operator RTU Factor</u>	<u>Network Operator RTU Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001417	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<b>FRC 560C:</b>	<b>\$0.0000000</b>	<b>FRC 660C:</b>	<b>\$0.0000000</b>	<b>FRC 860C:</b>	<b>\$0.0000000</b>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=AxFactor	C=AxFactor	D=AxFactor	E=AxFactor	F=AxFactor	I=(B+C+D +E+F)
				Cost of Money & Factor	Income Tax & Factor	Plant Specific Expense & Factor	Ad Valorem Expense & Factor	Direct Cost
Description	FRC	Investment	Depreciation & Factor					
Land - COE	20C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.0000	0.1125	0.0534	0.0000	0.0132	
Buildings - COE	10C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.0210	0.0893	0.0424	0.0687	0.0132	
Poles	1C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.0439	0.0723	0.0343	0.0143	0.0132	
Conduit Systems	4C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.0118	0.0823	0.0390	0.0019	0.0132	
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.3333	0.0525	0.0249	NA	0.0132	
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.3333	0.0525	0.0249	NA	0.0132	
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.3333	0.0525	0.0249	NA	0.0132	
Digital Elec Switch	377C	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
			0.0986	0.0513	0.0244	0.0333	0.0132	
Intangibles - Network Switch Software RTU	560C	\$0.0001417	\$0.0000472	\$0.0000074	\$0.0000035	\$0.0000000	\$0.0000019	\$0.0000601
			0.3333	0.0525	0.0249	NA	0.0132	
		\$0.0001417	\$0.0000472	\$0.0000074	\$0.0000035	\$0.0000000	\$0.0000019	\$0.0000601

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=Prev Rpt Col I	C	D=AxC	E=B+D
<u>Description</u>	<u>FRC</u>	<u>Investment</u>	<u>Direct Cost</u>	<u>Shared Cost Factor</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Land - COE	20C	\$0.0000000	\$0.0000000	0.0000	\$0.0000000	\$0.0000000
Buildings - COE	10C	\$0.0000000	\$0.0000000	0.0001	\$0.0000000	\$0.0000000
Poles	1C	\$0.0000000	\$0.0000000	0.0137	\$0.0000000	\$0.0000000
Conduit Systems	4C	\$0.0000000	\$0.0000000	0.0098	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Digital Elec Switch	377C	\$0.0000000	\$0.0000000	0.0167	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0001417	\$0.0000601	NA	\$0.0000000	\$0.0000601
		<u>\$0.0001417</u>	<u>\$0.0000601</u>		<u>\$0.0000000</u>	<u>\$0.0000601</u>

## Recurring Cost Summary

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

<u>Description</u>	<u>Volume Sensitive</u>			<u>Volume Insensitive</u>		
	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>TELRIC</u>	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Recurring Cost Development Reports	\$0.0007592	\$0.0000499	\$0.0008092	\$0.0000525	\$0.0000000	\$0.0000525
LABOR EXPENSES:						
OTHER EXPENSES:						
Total Cost	<u>\$0.0007592</u>	<u>\$0.0000499</u>	<u>\$0.0008092</u>	<u>\$0.0000525</u>	<u>\$0.0000000</u>	<u>\$0.0000525</u>
Gross Receipts Tax Factor			X 1.0036			X 1.0036
Cost (Including Gross Receipts Tax)			<u>\$0.0008120</u>			<u>\$0.0000526</u>
Common Cost Factor			X 1.0624			X 1.0624
Economic Cost			<u>\$0.0008627</u>			<u>\$0.0000559</u>
<b><u>Total Economic Cost: \$0.0009187</u></b>						

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B	C=AxB	D1	D2	D3	D4	D5	E=Cx(D1xD2 x...xD5)	F	G=ExF	
		In-Plant Factors (Default = 1)										Supporting Equipment &/or Power Loading	Total Investment
Description	FRC	Sub FRC	Material	Inflation Factor	Adjusted Material	Plug-in Inventory Factor	Mat'l Factor	Telco Factor	Plug-in Factor	Hardwire Factor	In-Plant Investment		
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0023575	1.0201	\$0.0024050	NA	NA	1.1226	NA	NA	\$0.0026999	1.1070	\$0.0029888
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	NA	NA	NA	NA	\$0.0000000	NA	\$0.0000000
											\$0.0026999		\$0.0029888

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF	H	I=AxH
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Land Factor</u>	<u>Land Investment</u>	<u>Building Factor</u>	<u>Building Investment</u>	<u>Pole Factor</u>	<u>Pole Investment</u>	<u>Conduit Factor</u>	<u>Conduit Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0029888	0.0068	\$0.0000204	0.1361	\$0.0004067	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<b>FRC 20C:</b>	<u>\$0.0000204</u>	<b>FRC 10C:</b>	<u>\$0.0004067</u>	<b>FRC 1C:</b>	<u>\$0.0000000</u>	<b>FRC 4C:</b>	<u>\$0.0000000</u>

South Carolina  
C.1.1 End Office Switching Function, Per MOU

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Network Switch RTU Factor</u>	<u>Network Switch RTU Investment</u>	<u>Network Circuit RTU Factor</u>	<u>Network Circuit RTU Investment</u>	<u>Network Operator RTU Factor</u>	<u>Network Operator RTU Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0029888	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<b>FRC 560C:</b>	<b>\$0.0000000</b>	<b>FRC 660C:</b>	<b>\$0.0000000</b>	<b>FRC 860C:</b>	<b>\$0.0000000</b>



**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=AxFactor	C=AxFactor	D=AxFactor	E=AxFactor	F=AxFactor	I=(B+C+D +E+F)
				Cost of Money & Factor	Income Tax & Factor	Plant Specific Expense & Factor	Ad Valorem Expense & Factor	Direct Cost
Description	FRC	Investment	Depreciation & Factor					
Buildings - COE	10C	\$0.0004067	\$0.0000085 0.0210	\$0.0000363 0.0893	\$0.0000172 0.0424	\$0.0000279 0.0687	\$0.0000054 0.0132	\$0.0000954
Poles	1C	\$0.0000000	\$0.0000000 0.0439	\$0.0000000 0.0723	\$0.0000000 0.0343	\$0.0000000 0.0143	\$0.0000000 0.0132	\$0.0000000
Land - COE	20C	\$0.0000204	\$0.0000000 0.0000	\$0.0000023 0.1125	\$0.0000011 0.0534	\$0.0000000 0.0000	\$0.0000003 0.0132	\$0.0000037
Digital Elec Switch	377C	\$0.0029888	\$0.0002947 0.0986	\$0.0001535 0.0513	\$0.0000728 0.0244	\$0.0000996 0.0333	\$0.0000396 0.0132	\$0.0006602
Conduit Systems	4C	\$0.0000000	\$0.0000000 0.0118	\$0.0000000 0.0823	\$0.0000000 0.0390	\$0.0000000 0.0019	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000 0.3333	\$0.0000000 0.0525	\$0.0000000 0.0249	\$0.0000000 NA	\$0.0000000 0.0132	\$0.0000000
		\$0.0034159	\$0.0003032	\$0.0001921	\$0.0000911	\$0.0001276	\$0.0000452	\$0.0007592

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=Prev Rpt Col I	C	D=AxC	E=B+D
<u>Description</u>	<u>FRC</u>	<u>Investment</u>	<u>Direct Cost</u>	<u>Shared Cost Factor</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Buildings - COE	10C	\$0.0004067	\$0.0000954	0.0001	\$0.0000000	\$0.0000954
Poles	1C	\$0.0000000	\$0.0000000	0.0137	\$0.0000000	\$0.0000000
Land - COE	20C	\$0.0000204	\$0.0000037	0.0000	\$0.0000000	\$0.0000037
Digital Elec Switch	377C	\$0.0029888	\$0.0006602	0.0167	\$0.0000499	\$0.0007101
Conduit Systems	4C	\$0.0000000	\$0.0000000	0.0098	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
		<u>\$0.0034159</u>	<u>\$0.0007592</u>		<u>\$0.0000499</u>	<u>\$0.0008092</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B	C=AxB	D1	D2	D3	D4	D5	E=Cx(D1xD2 x...xD5)	F	G=ExF	
		In-Plant Factors (Default = 1)										Supporting Equipment &/or Power Loading	Total Investment
Description	FRC	Sub FRC	Material	Inflation Factor	Adjusted Material	Plug-in Inventory Factor	Mat'l Factor	Telco Factor	Plug-in Factor	Hardwire Factor	In-Plant Investment		
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	1.0201	\$0.0000000	NA	NA	1.1226	NA	NA	\$0.0000000	1.1070	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001237	NA	\$0.0001237	NA	NA	NA	NA	NA	\$0.0001237	NA	\$0.0001237
											<u>\$0.0001237</u>		<u>\$0.0001237</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF	H	I=AxH
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Land Factor</u>	<u>Land Investment</u>	<u>Building Factor</u>	<u>Building Investment</u>	<u>Pole Factor</u>	<u>Pole Investment</u>	<u>Conduit Factor</u>	<u>Conduit Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	0.0068	\$0.0000000	0.1361	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001237	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
<b>FRC 20C:</b>					<b>\$0.0000000</b>	<b>FRC 10C:</b>	<b>\$0.0000000</b>	<b>FRC 1C:</b>	<b>\$0.0000000</b>	<b>FRC 4C:</b>	<b>\$0.0000000</b>

South Carolina  
C.1.1 End Office Switching Function, Per MOU

			A=Prev Page Col G	B	C=AxB	D	E=AxD	F	G=AxF
<u>Description</u>	<u>FRC</u>	<u>Sub FRC</u>	<u>Investment</u>	<u>Network Switch RTU Factor</u>	<u>Network Switch RTU Investment</u>	<u>Network Circuit RTU Factor</u>	<u>Network Circuit RTU Investment</u>	<u>Network Operator RTU Factor</u>	<u>Network Operator RTU Investment</u>
Digital Elec Switch - Vendor EF&I - MCEP	377C	03	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
Intangibles - Network Switch Software RTU	560C	00	\$0.0001237	NA	\$0.0000000	NA	\$0.0000000	NA	\$0.0000000
				<u>FRC 560C:</u>	<u>\$0.0000000</u>	<u>FRC 660C:</u>	<u>\$0.0000000</u>	<u>FRC 860C:</u>	<u>\$0.0000000</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

	A	B=AxFactor	C=AxFactor	D=AxFactor	E=AxFactor	F=AxFactor	I=(B+C+D +E+F)	
<u>Description</u>	<u>FRC</u>	<u>Investment</u>	<u>Depreciation &amp; Factor</u>	<u>Cost of Money &amp; Factor</u>	<u>Income Tax &amp; Factor</u>	<u>Plant Specific Expense &amp; Factor</u>	<u>Ad Valorem Expense &amp; Factor</u>	<u>Direct Cost</u>
Land - COE	20C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000
Buildings - COE	10C	\$0.00000000	0.0000	0.1125	0.0534	0.0000	0.0132	\$0.00000000
Poles	1C	\$0.00000000	0.0210	0.0893	0.0424	0.0687	0.0132	\$0.00000000
Conduit Systems	4C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	0.0132	\$0.00000000
			0.0439	0.0723	0.0343	0.0143		
Intangibles - Network Switch Software RTU	560C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	0.0132	\$0.00000000
			0.0118	0.0823	0.0390	0.0019		
Intangibles - Network Circuit Software RTU	660C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	0.0132	\$0.00000000
			0.3333	0.0525	0.0249	NA		
Intangibles - Operator Services Software RTU	860C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	0.0132	\$0.00000000
			0.3333	0.0525	0.0249	NA		
Digital Elec Switch	377C	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000	0.0132	\$0.00000000
			0.3333	0.0525	0.0249	NA		
Intangibles - Network Switch Software RTU	560C	\$0.0001237	\$0.00000412	\$0.00000065	\$0.00000031	\$0.00000000	0.0132	\$0.0000525
			0.3333	0.0525	0.0249	NA	0.0132	
		<u>\$0.0001237</u>	<u>\$0.0000412</u>	<u>\$0.0000065</u>	<u>\$0.0000031</u>	<u>\$0.0000000</u>	<u>\$0.0000016</u>	<u>\$0.0000525</u>

**South Carolina**  
**C.1.1 End Office Switching Function, Per MOU**

		A	B=Prev Rpt Col I	C	D=AxC	E=B+D
<u>Description</u>	<u>FRC</u>	<u>Investment</u>	<u>Direct Cost</u>	<u>Shared Cost Factor</u>	<u>Shared Cost</u>	<u>TELRIC</u>
Land - COE	20C	\$0.0000000	\$0.0000000	0.0000	\$0.0000000	\$0.0000000
Buildings - COE	10C	\$0.0000000	\$0.0000000	0.0001	\$0.0000000	\$0.0000000
Poles	1C	\$0.0000000	\$0.0000000	0.0137	\$0.0000000	\$0.0000000
Conduit Systems	4C	\$0.0000000	\$0.0000000	0.0098	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Network Circuit Software RTU	660C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Intangibles - Operator Services Software RTU	860C	\$0.0000000	\$0.0000000	NA	\$0.0000000	\$0.0000000
Digital Elec Switch	377C	\$0.0000000	\$0.0000000	0.0167	\$0.0000000	\$0.0000000
Intangibles - Network Switch Software RTU	560C	\$0.0001237	\$0.0000525	NA	\$0.0000000	\$0.0000525
		<u>\$0.0001237</u>	<u>\$0.0000525</u>		<u>\$0.0000000</u>	<u>\$0.0000525</u>

REQUEST: Identify each and every instance in which a cost study used to support intrastate switched access charges versus a cost study that supports BellSouth's UNE rates would differ.

RESPONSE: Please refer to the pre-filed direct testimony of BellSouth witness Robert McKnight.

RESPONSE PROVIDED BY: Robert McKnight - Director  
Rm. S3D1, 3535 Colonnade Pkwy – South  
Birmingham, AL 35243



REQUEST: Supply BellSouth's rate of return for the past two years.

RESPONSE: BellSouth objects to this Interrogatory on the grounds that it seeks information that is not relevant to the subject matter of this proceeding and that it does not appear reasonably calculated to lead to the discovery of admissible evidence. BellSouth further objects to this Interrogatory to the extent that responding to it would require BellSouth to create documents that are not in existence.

The information requested in this Interrogatory is not relevant to BellSouth's request to receive additional funding from the State USF. The Commission has adopted Guidelines that address the State USF, *see* Order Approving Final Documents and Vacating Order No. 2001-954, *In Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund*, Order No. 2001-996 in Docket No. 97-239-C (October 10, 2001), and those Guidelines provide that "[t]he receipt of funding from the State USF is predicated upon the cost of providing basic local exchange telecommunications service to a consumer and is not earnings based." *See* Guidelines at §6, p.5 (emphasis added). Accordingly, the Commission has rejected claims that earnings information should be considered in addressing requests for funding from the State USF. *See, e.g.,* Order Addressing Universal Service Fund, *In Re Proceeding to Establish Guidelines for an Intrastate Universal Service Fund*, Order No. 2003-215 in Docket No. 1997-239-C at pp. 17-18 (April 15, 2003).

Further, the information requested in this Interrogatory is not relevant to any aspect of BellSouth's operations. The rates, terms, and conditions of BellSouth's services are determined pursuant to the plan described in subsection (B) of Section 58-9-576 of the South Carolina Code. Such regulation is "in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation." *See* S.C. Code Ann. §58-9-576(B)(emphasis added).

RESPONSE PROVIDED BY: Counsel for BellSouth

REQUEST: For the last five years of available data, please provide the number of minutes per line in South Carolina that are 1) local, 2) toll, and 3) IXC access. If this information is not available per line, please provide BellSouth total minutes in South Carolina that are 1) local, 2) toll, and 3) IXC access. Specify whether the minutes are monthly, annual, etc. and for what year. Also provide total switched lines in South Carolina for the same period.

RESPONSE: BellSouth objects to this Interrogatory on the grounds that it is irrelevant and that the information sought does not appear reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, BellSouth responds as follows.

The Dial Equipment Minutes (DEM) provided below in columns A and B include DEM for both retail and wholesale lines and are defined as the minutes of holding time of the originating and terminating local switching equipment on a completed telephone call (local or toll message). Holding time is defined as the time in which an item of telephone plant is in actual use either by a customer or an operator. For example, on a completed telephone call, holding time includes not only conversation time but also other time where the switching equipment is in use (i.e., call set-up time). The Column C MOUs are originating and terminating from Billed Carrier Access Tracking System (BCATS) database. The average lines in Column D include both retail and wholesale lines.

<b>Year</b>	<b>Local DEM A</b>	<b>IntraLATA Toll DEM B</b>	<b>Intrastate IXC SW Access MOUs C</b>	<b>Avg. Lines for Year D</b>
<b>1999</b>	39,414,027,497	410,957,648	1,441,215,995	1,306,097
<b>2000</b>	44,758,904,192	300,928,159	1,546,243,265	1,394,406
<b>2001</b>	45,056,414,477	267,931,534	1,566,890,773	1,453,222
<b>2002</b>	44,073,356,734	266,994,641	1,541,473,368	1,460,699
<b>2003<sup>1</sup></b>	31,228,968,881	174,805,111	1,400,698,149	1,421,378

RESPONSE PROVIDED BY: Charles Lee – Director (Columns A and B)  
 South S3H  
 3535 Colonnade Pkwy - South  
 Birmingham, AL 35243

Steve Bigelow – Director (Columns C and D)  
 South E3E1  
 3535 Colonnade Pkwy - South  
 Birmingham, AL 35243

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<sup>1</sup> For 2003 Columns A-B DEMs are September year-to-date amounts. For 2003 Column C, the 1,400,698,149 is for November Year-to-Date amounts. For Column D, the 1,421,378 is the average for the full 2003 year.

REQUEST: Provide a copy of any documents identified in response to the Interrogatories.

RESPONSE: Please see the attachments to BellSouth's responses to DeltaCom's Interrogatories.

RESPONSE PROVIDED BY: Robert McKnight - Director  
Rm. S3D1, 3535 Colonnade Pkwy – South  
Birmingham, AL 35243

REQUEST: Please provide a complete copy of any cost study BellSouth has developed (for submission to any state or federal regulatory agency or for internal business case analysis) that supports its request for additional STATE USF withdrawals. Please identify any differences in methodology between the cost studies provided and also include a complete working copy of all computerized models involved in preparing the costs with data intact, a complete set of working papers with all special studies, data sources, data inputs and assumptions and a complete set of cost study documentation.

RESPONSE: Please see the direct testimony that BellSouth pre-filed in this proceeding and the attachments to BellSouth's responses to DeltaCom's Interrogatories.

RESPONSE PROVIDED BY: Robert McKnight - Director  
Rm. S3D1, 3535 Colonnade Pkwy – South  
Birmingham, AL 35243

REQUEST: Provide a copy of any internal or external audit reports concerning BellSouth's receipt and use of STATE USF withdrawals.

RESPONSE: Please see BellSouth's response to Interrogatory No. 3.

RESPONSE PROVIDED BY: Rufus Moore - Manager  
Rm. 17M61  
675 W Peachtree St NW  
Atlanta, GA 30375

REQUEST: On page 16 of Ms. Blake's direct testimony filed on December 31, 2003, she states that the Bellsouth tariff filing in this matter is "revenue neutral." Provide any and all documents (including but not limited to cost studies, business analysis, or other workpapers) that support BellSouth's claim, as stated in Ms. Blake's testimony, that the BellSouth tariff filing is in fact "revenue neutral."

RESPONSE: Please see BellSouth's response to Interrogatory No. 4.

RESPONSE PROVIDED BY: Kathy Blake - Director  
Rm. 36M66  
675 W Peachtree St NW  
Atlanta, GA 30375

REQUEST: On page 4 of Mr. McKnight's direct testimony filed on December 31, 2003, he states that there would be "minor differences" between a cost study used to support intrastate switched access charges versus a cost study that supports BellSouth's UNE rates. Provide any workpapers, business analysis or other documents that support Mr. McKnight's contention.

RESPONSE: Please see the pre-filed direct testimony of BellSouth witness Robert McKnight; BellSouth's response to Interrogatory No. 4; and the attachments thereto.

RESPONSE PROVIDED BY: Robert McKnight - Director  
Rm. S3D1, 3535 Colonnade Pkwy – South  
Birmingham, AL 35243



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Patrick W. Turner  
1600 Williams Street, Suite 5200  
Columbia, South Carolina 29201  
803-401-2900  
patrick.turner@bellsouth.com

ATTORNEY FOR BELL SOUTH  
TELECOMMUNICATIONS, INC.



BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-239-C

IN RE: Proceeding to Establish Guidelines        )  
      for an Intrastate Universal Service Fund    )  
\_\_\_\_\_)

This is to certify that the undersigned, Nyla M. Laney, is employed by the Legal Department for BellSouth Telecommunications, Inc. and that she has caused BellSouth's Response to ITC^DeltaCom Communications, Inc.'s First Set of Interrogatories and Requests to Produce in the foregoing matter to be served upon the person(s) named below this 20th day of January, 2004, by placing copies of same in the United States Mail, postage prepaid, addressed as follows:

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Robinson, McFadden & Moore  
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South Carolina Public Service Commission  
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Communications, Inc., and MCI  
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Stan J. Bugner, State Director  
Verizon Select Services, Inc.  
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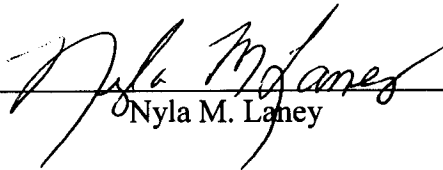
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